

Testimony in Support of DHS Departmental Budget – CCAP rates and Head Start
House Finance Committee, Subcommittee on Human Services
July 30, 2020

The Economic Progress Institute supports the Department of Human Services budget provisions, especially the plan to allocate \$3.9 million in state funding to increase the reimbursement rates for the **Child Care Assistance Program (CCAP)** and to sustain the \$1.2 million in **state funding for Head Start**. We urge you to make these investments that will help our low-income children whose families have been disproportionately impacted by the COVID pandemic.

Rhode Island families depend on high-quality childcare for two central reasons: 1) for parents to work, and 2) for children to receive the early education necessary to excel in school. However, CCAP rates, which specifically help families with lower incomes access child care, fall below minimum federal standards. Current CCAP rates, according to the federal Government, are substantially below the equal access standard that is designed to ensure low-income families have equal access to the child care market. With current CCAP rates so low, child care providers are not adequately reimbursed for the care they provide, forcing many to either decrease enrollment of children with CCAP subsidies or turn-away children with CCAP subsidies altogether.

Data underscores the ways in which this occurrence is creating an inequitable childcare system throughout Rhode Island. Currently, over 3/4th of all Rhode Island children receiving a CCAP subsidy in BrightStars rated programs are in 1- or 2-star quality programs¹. This means the majority of children from families with low-incomes are not accessing higher quality, 4- and 5- star, programs. In particular, only 17% of infant/toddlers with CCAP subsidies, 20% of pre-school aged children with CCAP subsidies, and 13% of school-aged children with CCAP subsidies are enrolled in 4- or 5-star programs².

Why does this matter? High quality programs, those with 4- or 5-stars have smaller class sizes, low child-to-staff ratios, staff who have expertise in early education, and overall provide reliable, secure, and healthy care³. Accessing these programs has always been critical for young children to be able to maximize cognitive, social, and emotional developmental gains. Yet, as children return to child care during the COVID-19 pandemic, having the resources and supports of high-quality programs will be ever more important for the health and safety of all children.

The Governor and her administration recognized the additional impact that COVID has had on child care providers ability to provide quality care and increased, temporarily, the CCAP rates between June - August 30, 2020 to 90% of the current market rate. These rates should be kept at 90% through the next year or at least increased as outlined in this budget article.

¹ 2020 Rhode Island Kids Count, Early Learning Fact Sheet

² Id.

³ 2020 Rhode Island Kids Count Factbook, Rhode Island Kids Count, page 124.